



California Fair Political Practices Commission

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November 28, 1988

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Steven R. Crooks
Hefner, Stark & Marois
Ste. 300 South
2710 Gateway Oaks Drive
Sacramento, CA 95833-3501

HEFNER STARK & MAROIS

Re: Your Request for Informal
Assistance
Our File No. I-88-410

Dear Mr. Crooks:

You have requested informal assistance under the campaign disclosure provisions of the Political Reform Act.^{1/}

You have asked if the FPPC has advice, letters or other written guidelines which set forth how partner and partnership contributions are reported under the Act.

Enclosed for your information are the following Commission opinions, advice letters and other guidelines:

(1) Formal Opinions:

In re Lumsdon, 2 FPPC 140 (No. 75-205, Sept. 7, 1976).
In re Kahn, 2 FPPC 151 (No. 75-185, Nov. 3, 1976).

(2) Advice letters and memoranda:

A-76-084 (F.W. Rhodes)
M-82-138 (Janet Clinton)
M-84-314 (Reporting by Partners and Partnerships)

^{1/} Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Section 83114; Regulation 18239(c)(3).)

Steven R. Crooks
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M-84-332 (Enforcement Closure Memorandum, SI-83/04)
A-84-333 (Lloyd Stabiner)
I-88-139 (P. Jerold Walsh)

- (3) "Information Manual On Campaign Disclosure Provisions
Of The Political Reform Act - For Major Donor
Committees and Independent Expenditure Committees"
(Please refer to Notes 1 and 2 on pages 2 and 3.)

These opinions, advice letters and other written guidelines address reporting by corporations, partnerships and other affiliated entities, as well as the issue of when an individual's contributions must be aggregated with those of a partnership or other business entity for the purpose of qualifying as a committee and for reporting purposes.

If you have any questions about specific situations concerning reporting partnership contributions, please contact us.

Sincerely,

Diane M. Griffiths
General Counsel



By: Jeanne Pritchard
Division Chief
Technical Assistance and
Analysis Division



FPPC
Oct 27 9 47 AM '88

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(415) 837-2131

October 24, 1988

Jeanne Pritchard
Technical Assistants Division
Fair Political Practices Commission
PO Box 807
Sacramento, CA 95804

Re: Partnership Contributions

Dear Jeanne:

The enclosed page from the Federal Election Commission Reporter discusses how the FEC requires the reporting of contributions from partners and partnerships. My question is whether the FPPC has any advice, letters or other written guidelines which similarly set forth how partner and partnership contributions should be reported.

Thank you for your assistance in this matter and congratulations to you and Bob.

Very truly yours,

HEFNER, STARK & MAROIS

By 
Steven R. Crooks

SRC:glt
encl.

Hugh B. Bradford
(1876-1955)

S. W. Cross
(1881-1956)

Archie Hefner, Inc.*
Theodore M. Marois, Jr.
James M. Woodside
John D. Bessey
Kenneth R. Stone
Timothy D. Taron
Judy Campos McKeehan
William M. Gallagher
Robert S. Willett
Todd A. Murray
Timothy M. Cronan
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Delbert W. Orros

Of Counsel
Robert N. Stark
Robert W. Bell

*A Professional Corporation

800 LINE

PARTNERSHIP CONTRIBUTIONS

This article answers several frequently asked questions about contributions by partnerships. For more detailed information, consult sections 100.10, 110.1(e) and 115.4 of FEC regulations or the FEC Campaign Guide series.

May a partnership of individuals make contributions to federal candidates and political committees? Yes. Because a partnership of individuals is included in the definition of "person" (11 CFR 100.10), it may make contributions to influence federal elections, but its contributions are limited.

What are the dollar limits on contributions by partnerships? A partnership may contribute up to \$1,000 per election to a candidate for federal office, up to \$5,000 annually to a political committee other than a candidate committee, and up to \$20,000 annually to a national party committee.

Does a partnership's contribution also count against the contribution limit for each partner participating in the contribution? Yes. A contribution from a partnership counts proportionately against each contributing partner's personal limit. An individual partner, like a partnership, may contribute up to \$1,000 per candidate, per election, up to \$5,000 annually to other political committees and up to \$20,000 annually to a national party committee. An individual must also limit total federal contributions to \$25,000 a year. 11 CFR 110.1(a), (b), (c), (d) and (e) and 110.5.

For example, if the partnership of Smith and Jones used a partnership check to contribute \$1,000 to Sally Keene's Congressional primary campaign, \$500 of the contribution would be attributed to each partner and \$1,000 would be attributed to the partnership as a whole. Although no additional contribution could be made to Ms. Keene's primary campaign from the partnership account, each partner could use a personal check to contribute an additional \$500 to her primary campaign. The additional contribution(s) would count solely against each partner's personal limit.

How must a partnership allocate its contributions among its partners? A portion of a partnership contribution must be allocated to each contributing partner. If all partners within the organization participate in the political contribution, the partnership may allocate the

contribution among the partners according to their share of the profits. However, if the partnership allocates contributions on another basis agreed to by the partners or if it attributes contributions only to certain partners, the following rules must be observed:

- o The contributing partners' respective profits must be reduced (or their losses increased) by the amount of the contribution attributed to them; and
- o The profits (or losses) of only the contributing partners must be affected. 11 CFR 110.1(e)(1) and (2).

May a partnership with corporate and individual members make contributions to federal candidates and committees? If so, how must these contributions be allocated? Yes, partnerships with corporate and individual members may make contributions, as long as no portion of the contribution is attributed to any corporate partner, including any partner that is a professional corporation. 11 CFR 114.7(d); AO 1982-63. Nor may the contribution affect the corporation's share of the partnership's profits or losses. See AO 1980-132.

COURT CASES

FEC v. CESAR RODRIGUEZ

On June 15, 1988, the U.S. District Court for the Middle District of Florida granted the FEC's motion to:

- o Reopen the file in a suit the FEC had brought against Cesar Rodriguez (FEC v. Rodriguez; Civil Action No. 86-687-CIV-T-10); and
- o File an amended complaint within 15 days of the court's action.

The FEC's motion to reopen the complaint complied with a June 5, 1987, order by the court in the suit. In that action, the court directed the clerk of the court to administratively close the file in the case but allowed both the FEC and Mr. Rodriguez six months to file a motion to either reopen or dismiss the case. (On December 8, 1987, the court extended the parties' time to reopen the case until June 5, 1988.)

Background

In its original complaint against Mr. Rodriguez, filed in November 1986, the FEC asked the district court to declare that, during 1980, Cesar Rodriguez had violated section 441f of the election law by accepting contributions for the Carter/Mondale Presidential Committee which were made by one person in the names of other persons. Specifically, on behalf of Allen Wolfson,